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## **Independent Limited Assurance Report to the Directors of SSE plc on allocation of proceeds and selected impact reporting metrics from Green Bonds 1, 2, 3 and 4**

The Board of Directors of SSE plc (“SSE”) engaged us to obtain limited assurance on the allocation of proceeds and selected impact reporting metrics from Green Bonds 1, 2, 3 and 4 (together the “Subject Matter Information”) as defined below and set out under the heading(s) marked with the symbol (A) within SSE’s Green Bond Report for the year ended 31<sup>st</sup> March 2022 (the “Report”) available at <https://www.sse.com/greenbond><sup>1</sup>.

Our assurance conclusion does not extend to information in respect of earlier periods or to any other information included in, or linked from, the Report including any images, audio files or videos.

### ***Our limited assurance conclusion***

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Based on the procedures we have performed, as described under the ‘Summary of work performed as the basis for our assurance conclusion’ and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information as defined below and marked with the symbol (A) on pages 3 to 7 in SSE’s Green Bond Report for the year ended 31<sup>st</sup> March 2022, have not been prepared, in all material respects, in accordance with the Reporting Criteria and referenced in the ‘Subject Matter Information and Reporting Criteria’ section below.

### ***Subject Matter Information and Reporting Criteria***

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The Subject Matter Information needs to be read and understood together with the Reporting Criteria, which SSE is solely responsible for selecting and applying. The Subject Matter Information is set out in Appendix 1. The Reporting Criteria against which the Subject Matter Information is assessed is disclosed online at <https://www.sse.com/greenbond><sup>1</sup>. Our assurance does not extend to information in respect of earlier periods or to any other information included in the SSE’s Green Bond Report or disclosed online at: <https://www.sse.com/greenbond><sup>1</sup>.

### ***Inherent limitations***

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The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the underlying subject matter and the methods used for determining such information. The precision of different measurement techniques may also vary.

### ***Responsibilities of SSE’s directors***

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As explained in the Directors’ Statement on page 1 of SSE’s Green Bond Report for the year ended 31<sup>st</sup> March 2022, the Directors of SSE are responsible for:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring or evaluating the underlying subject matter;
- ensuring that those criteria are relevant and appropriate to SSE and the intended users of the Report;
- the preparation of the Subject Matter Information in accordance with the Reporting Criteria including designing, implementing and maintaining systems, processes and internal controls over information relevant to the evaluation or measurement of the Subject Matter Information, which is free from material misstatement, whether due to fraud or error, against the Reporting Criteria; and
- producing the Report, including underlying information and a statement of Directors’ responsibility, which provides accurate, balanced reflection of SSE’s performance in this area and discloses, with supporting rationale, matters relevant to the intended users of the Report.

### ***Our responsibilities***

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We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of SSE.

<sup>1</sup> The maintenance and integrity of SSE’s website is the responsibility of the Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Subject Matter Information or Reporting Criteria when presented on SSE’s website.

## ***Professional standards applied***

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We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' and, in respect of the greenhouse gas emissions, in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements', issued by the International Auditing and Assurance Standards Board.

## ***Our independence and quality control***

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We have complied with the Institute of Chartered Accountants in England and Wales Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, that are at least as demanding as the applicable provisions of the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards).

We apply International Standard on Quality Control (UK) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

## ***Summary of work performed as the basis for our assurance conclusion***

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In carrying out our limited assurance engagement we:

- considered the suitability in the circumstances of SSE's use of the Reporting Criteria, as the basis for preparing the Subject Matter Information;
- through inquiries with SSE's management, including the Sustainability team and those with responsibility for sustainability management and group sustainability reporting obtained an understanding of SSE's control environment, processes and systems relevant to the preparation of the Subject Matter Information;
- evaluated whether SSE's methods for developing estimates are appropriate and had been consistently applied;
- performed limited substantive testing on a selective basis of the Subject Matter Information to check that underlying information had been appropriately evaluated or measured, recorded, collated and reported; and
- considered the disclosure and presentation of the Subject Matter Information.

Our procedures did not include evaluating the suitability of design or operating effectiveness of control activities, testing the data on which the estimates are based or separately developing our own estimates against which to evaluate SSE's estimates.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

## ***Other information***

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The other information comprises all of the information in the Report other than the Subject Matter Information and our assurance report. The directors are responsible for the other information. As explained above, our assurance conclusion does not extend to the other information and, accordingly, we do not express any form of assurance thereon. In connection with our assurance of the Subject Matter Information, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Subject Matter Information or our knowledge obtained during the assurance engagement, or otherwise appears to contain a material misstatement of fact. If we identify an apparent material inconsistency or material misstatement of fact, we are required to perform procedures to conclude whether there is a material misstatement of the Subject Matter Information or a material misstatement of the other information, and to take appropriate actions in the circumstances.

## ***Use and distribution of our report***

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This report, including our conclusion, has been prepared solely for the Board of Directors of SSE in accordance with the agreement between us dated 2<sup>nd</sup> March 2022 (the "agreement"). Our report must not be made available to any other party save as set out in the agreement. To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than the Board of Directors and SSE for our work or this report except where terms are expressly agreed between us in writing.



**PricewaterhouseCoopers LLP**  
**Chartered Accountants**  
**London**  
**13<sup>th</sup> June 2022**

## Appendix 1

The Subject Matter information subject to limited assurance procedures are set out below. The Reporting Criteria “Green Bond Reporting Criteria” available at <https://www.sse.com/greenbond> has been used to prepare and report the Subject Matter Information. The Reporting Criteria also explains the definitions and terminology used to describe the Subject Matter Information.

### Statement of proceeds

**Table 1:** Allocation of Green Bond proceeds and total actual CAPEX spent on eligible green projects for Green Bonds 1, 2, 3 and 4 as at 31 March 2022 (details of qualifying criteria are outlined in the Green Bond Framework available at <https://www.sse.com/greenbond>).

	ISIN number	Date issued	Total Actual Capex Spend (£m)	Allocation of Green Bond Proceeds (£m)
Green Bond 1	XS1676952481	6 September 2017	1,557.7	548.4
Green Bond 2	XS1875284702	4 September 2018	1,198.4	591.4
Green Bond 3	XS2057092236	27 September 2019	1,361.9	350.0
Green Bond 4	XS2321663473/ XS2322933495 <sup>2</sup>	24 March 2021	500.0	500.0

### Impact reporting

The table below includes information relating to the capacity of eligible green projects where the proceeds from the Green Bonds have been invested. The table also includes qualifying electricity output data and qualifying potential carbon saved from 2017, 2018, and 2019 Green Bonds for the reporting period from 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022. Further details can be found at: <https://www.sse.com/greenbond>.

**Table 2:** Green project impact to refinancing eligible green projects for Green Bond 1, 2, 3 and 4 for the financial year-end (31<sup>st</sup> March 2022). Details of the qualifying criteria are outlined in the Green Bond Framework.

	ISIN number	Date issued	Capacity fully operational (MW)/ Qualifying Capacity (MW)	Qualifying output (GWh)	Qualifying carbon saved (tCO <sub>2</sub> e)
Green Bond 1	XS1676952481	6 September 2017	1,744/1,611	864.2	183,489.2
Green Bond 2	XS1875284702	4 September 2018	1,446/1,332	368.4	78,166.8
	ISIN number	Date issued	Qualifying project capacity (MW/MVA)	Qualifying output (GWh)	Qualifying carbon saved (tCO <sub>2</sub> e)
Green Bond 3	XS2057092236	27 September 2019	2,629.2/3,519.0	-	-
Green Bond 4	XS2321663473/ XS2322933495 <sup>2</sup>	24 March 2021	4,563.5/6,728.0	-	-

<sup>2</sup> Green Bond 4 is a dual tranche bond.